

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on February 1, 2012 in Room 548-S of the Capitol.

All members were present except:
Senator Jay Emler, excused

Committee staff present:
Matt Sterling, Office of the Revisor of Statutes
Tamera Lawrence, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Heather O'Hara, Legislative Research Department
Ann McMorris, Committee Assistant

Conferees appearing before the Committee:
Ed Cross, Kansas Independent Oil and Gas Association (KIOGA)
James Roller, Kansas Governmental Relations Manager, Chesapeake Energy

Others attending: See attached list.

Introduction of Bills

Moved by Senator Petersen, seconded by Senator Pyle, conceptual bill to amend 66-1260 to require that the KCC report annually to the Legislature and to the House and Senate Utilities Committees regarding the impact on retail rates of compliance with the renewable energy standards act. Motion carried.

Moved by Senator Apple, seconded by Senator Petersen, conceptual bill to make changes in the Kan-ed statutes in line with the proposal advanced by the Board of Regents in response to the recent audit. Motion carried.

Moved by Senator Love, seconded by Senator Petersen, conceptual bill that would change the spacing requirements for wells to better address horizontal drilling practices. Motion carried.

Presentation on Horizontal Drilling

Ed Cross, Kansas Independent Oil and Gas Association (KIOGA), discussed horizontal drilling and the development of the Mississippian Lime play in Kansas. He provided definitions of conventional and unconventional resource plays. Unconventional oil and natural gas plays are a huge breakthrough for our nation's energy security, economic vitality and jobs outlook. (Attachment 1)

James Roller, Kansas Governmental Relations Manager, Chesapeake Energy, Oklahoma City, OK., presented a power point and animation video which provided an overview of Chesapeake Energy and their operating area. Specific information on their operations in Kansas was provided. Animated videos were played demonstrating the five basic steps in the oil and natural gas production process. Site selection and preparation was described. Hydraulic fracturing involves various products that are used in the drilling process. (Attachment 2)

Chairman announced the Senate Utilities Committee would not have any scheduled meetings during the week of February 6.

Adjournment.

Respectfully submitted,

Ann McMorris, Committee Secretary

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